State of New Mexico

Michelle Lujan Grisham
Governor

March 1, 2021

Ms. Anne Marie Costello, Acting Deputy Administrator and Director
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington D.C. 20201

Dear Ms. Costello:

I am pleased to submit New Mexico's request to amend its Section 1115 Demonstration Waiver Amendment #2 for the state' s Medicaid managed care program, Centennial Care 2.0.

The state' s goals for amending the demonstration are to continue providing the most effective, efficient, and high-quality health care possible for covered New Mexicans while we advance the care and service delivery reforms that were initiated during the previous demonstration period. Specifically, New Mexico's goals are to:

- Assure that Centennial Care members receive the right amount of care, delivered at the right time, and in the right setting;
- Ensure that the care and services being provided are measured in terms of their quality and not solely by quantity;
- Slow the growth rate of costs or "bend the cost curve" over time without inappropriate reductions in benefits, eligibility or provider rates; and
- Streamline and modernize the New Mexico Medicaid program.

Today, Centennial Care 2.0 features an integrated and comprehensive Medicaid delivery system in which a member's Managed Care Organization (MCO) is responsible for coordinating his/her full array of services, including acute care, pharmacy benefits, behavioral health services, institutional care, and home and community-based services. However, there are several policy decisions the state, and which we are seeking to add through the amended waiver.
Below please find a summary of the specific waiver changes that New Mexico is requesting:

- **Seek a waiver of the Institution for Mental Disease (IMD) exclusion for all Medicaid beneficiaries aged 21-64, specifically those with Serious Mental Illness (SMI)/Serious Emotional Disorder (SED), to maintain and enhance beneficiary access to behavioral health services in appropriate settings and ensure that individuals receive care in the facility most appropriate to their needs.** The waiver of the IMD exclusion would allow psychiatric facilities (i.e. hospitals, nursing facilities, or other institutions of more than 16 beds that are primarily engaged in providing diagnosis, treatment or care of persons with mental diseases, including medical attention, nursing care and related services) to be able to provide reimbursable services to Medicaid recipients for stays in excess of fifteen (15) days. In addition, it will fill a critical gap in the of continuum of care and provide better support for individuals who may require longer stays at a residential treatment facility. NM is seeking expenditure authority, notwithstanding the IMD limitations in 42 CFR 438.6(e), for capitation payments to managed care entities under contracts that permit those entities to provide enrollees aged 21-64 inpatient services in an IMD regardless of the length of stay. HSD would also seek this expenditure authority for members who participate in the fee for service program to ensure equal access to care in IMDs for all Medicaid enrollees.

- **Establish High Fidelity Wraparound (HFW) as an intensive care coordination approach for children and youth who have high intensity needs.** The waiver amendment proposes to cover a HFW service model for children who meet the criteria of SED, including functional impairment and behavioral health and mental health disorders. Wraparound delivers the outcomes youth/families, systems, and providers seek. In addition, Wraparound delivers these outcomes while reducing costs. HFW is youth-driven, family-centered, community-based, and strengths-based, and includes an individualized planning process and Action Plan to support the young person and their family in the Wraparound process. HFW will identify, access, obtain, and monitor mental health, social services, educational services, other formal services, and natural and community supports that will assist the young person and their family in meeting their needs and achieving their vision.

- **Graduate Medical Education (GME) expansion funding mechanism designed to develop new and/or expanded GME programs focusing on the specialties of General Psychiatry, Family Medicine, General Pediatrics, and General Internal Medicine.** The waiver amendment proposes a funding pool or other approvable mechanism for federal Medicaid support for graduate medical education to support workforce development, with the goal of improving access to care in rural and frontier regions of New Mexico by increasing the number of primary care, family medicine, and psychiatric residents in community-based clinic settings. Under the proposed methodology, HSD will fund the total cost of up to ten residencies statewide in community-based provider settings with high numbers of attributed Medicaid patients.

- **Add COVID-19 vaccine coverage to individuals who have limited benefits such as Family Planning Category of Eligibility (COE), Emergency Medical Services for Aliens (EMSA), Uninsured Individuals – COVID-19 testing and related services (FFCRA), and Pregnancy related services.** The waiver amendment would add coverage of the

Coronavirus (COVID-19) vaccine and its administration for all populations covered under the existing 1115 waiver Special Terms and Conditions (STCs). The waiver also proposes to reimburse providers for the cost of the vaccine at such time when federal funding to purchase the vaccine is no longer available to States. HSD also proposes to cover administration of the vaccine by a provider for individuals with limited benefit plan coverage including those who are covered under Family Planning Category of Eligibility (COE), Emergency Medical Services for Aliens (EMSA), Uninsured Individuals – COVID-19 testing and related services group (FFCRA), and Pregnancy related services COE (301).

Thank you in advance for your partnership with New Mexico in considering these provisions of the waiver amendment. We look forward to working with your team at the Centers for Medicare and Medicaid Services (CMS) to discuss the terms of these revisions as we work toward achieving the goals of the demonstration amendment waiver.

Sincerely,

Michelle Lujan Grisham

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